

# **ATTACHMENT 1**

**REDACTED**

## **ATTACHMENT 2**

**REDACTED**

## **ATTACHMENT 3**

**REDACTED**

## **ATTACHMENT 4**

**REDACTED**

# **ATTACHMENT 5**

**REDACTED**

## **ATTACHMENT 6**

Declaration of Maureen A. Swift  
On Behalf of AT&T Corp.

1. My name is Maureen A. Swift. My business address is 900 Route 202/206, Bedminster, New Jersey.
2. I am employed by AT&T as a Division Manager in the Local Services and Access Management group in AT&T's Network Services organization. In this position I am responsible for the oversight of both the special access services and unbundled network elements purchased by AT&T from incumbent local exchange carriers ("ILECs"). Additionally, I work closely with colleagues in the AT&T Business Services unit to identify the needs and expectations of our customers who purchase services that rely on inputs from other carriers. I am a 1977 graduate of Nazareth College of Rochester, with a B.S. in Mathematics and Management Sciences. In 1985, I received an MBA (with concentration in Accounting and Operations) from the University of Rochester Simon School of Management. From 1985 to 1992, I was employed by Rochester Telephone in Rochester, New York, in the area of separations and settlements. In September 1992, I accepted the position of Manager of Business Development with ACC Corporation, a competitive long distance provider. At ACC, I was also part of a team charged with developing a competitive local service product, and handled carrier relations with the incumbent local exchange carriers, including interconnection negotiations and performance issues. Through a series of acquisitions, ACC became part of AT&T in July 1998. I continued in a carrier relations capacity until February 1999, when I was promoted to Division Manager for National Negotiations policy, where I was responsible for coordinating AT&T's policies for interconnection negotiations. I assumed my present position in September 2000.

3. The purpose of my declaration is to describe AT&T's experience with ILEC suppliers of special access services, and to elaborate on specific service quality problems AT&T has faced over the last several years. In particular, I will discuss why neither market forces nor existing mechanisms have proven sufficient to address such problems.

4. In its capacity as an interexchange carrier ("IXC"), AT&T must purchase local access from ILECs for the provision of both voice services as well as other high-capacity services including ATM and frame relay. Although recent years have seen the growth of alternative access providers and the acquisition by AT&T of some of its own local facilities, the vast majority of local access is purchased from the incumbents.

5. AT&T also relies on ILEC special access facilities for the provision of a significant amount of the local service it provides. For the provision of high-capacity services, AT&T uses ILEC DS-1 and/or DS-3 facilities to reach its customers. While AT&T would prefer to serve its local customers using entirely its own network, a number of limitations necessitate the use of portions of the incumbents' networks to reach end-users. Among these limitations are the need to cost justify augments to the existing network, the availability of construction pre-requisites (such as rights-of-way and collocation facilities), the feasibility of building within the time frame required by the customer, and prior volume and/or term commitments that make it uneconomic to convert to alternative facilities (whether self-provided or provided by a third-party) due to termination penalties.<sup>1/</sup> AT&T's ability to secure the ILEC facilities it needs in the form of unbundled network elements is constrained by numerous factors, including use

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<sup>1/</sup> See Declaration of Anthony Fea and William J. Taggart III on Behalf of AT&T Corp., *appended to* Comments of AT&T Corp. on Use of Unbundled Network Elements to Provide Exchange Access Services, CC Docket No. 96-98 (filed Apr. 30, 2001).

restrictions adopted by regulators and additional impediments imposed unilaterally by the ILECs.<sup>2/</sup>

6. Although, as large purchasers of local access, IXC's and CLEC's (including AT&T) have been major customers of ILECs, the conditions under which these supplier-customer relationships were created produce a far different dynamic than is found in an efficiently functioning competitive market. Unlike those markets, carriers seeking to purchase local access in a given situation routinely have no alternatives to ILEC-provided special access service. Therefore, although large customers in most commercial settings have significant bargaining power to demand a specific level of service, competitive carriers seeking local access must typically rely on the good will of their suppliers for service improvement.

7. The critical fact for this proceeding is that ILECs' good will has been insufficient to meet the needs of both AT&T and other wholesale purchasers and those carriers' retail customers. Over the years, AT&T has developed specific quality measurements (often referred to as direct measurements of quality or "DMOQs") and spent literally years working on a business-to-business basis with ILECs to obtain service consistent with those standards. But despite the considerable time and resources AT&T has devoted to this effort, the ILECs' provisioning and maintenance of their special access services generally remain commercially unacceptable.

8. Requiring the ILECs to provide information needed to support an appropriate performance measurement and remedy regime would not be burdensome. AT&T provides its vendors with specific DMOQs, including category-specific expectations or benchmarks. AT&T

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<sup>2/</sup> See, e.g., Declaration of Alice Marie Carroll and Cynthia S. Rhodes on Behalf of AT&T Corp., at 5-6, *appended to* Comments of AT&T Corp. on Use of Unbundled Network Elements to Provide Exchange Access Services, CC Docket No. 96-98 (filed Apr. 30, 2001).

then requests that the vendor provide data that track its performance against those DMOQs. In general, vendors have been forthcoming in providing these data on a regular basis. However, such data are almost always subject to AT&T's explicit agreement not to disclose its company-specific data to others, even in the context of regulatory proceedings. However, based on my knowledge of current ILEC data gathering and reporting capabilities, it is my belief that ILECs would not be required to institute new capabilities or significantly modify existing capabilities in order to provide the reporting for the measures identified in the Joint Competitive Industry Group Proposal.<sup>3/</sup>

9. Critically, even though AT&T receives periodic data from its ILEC special access vendors on their performance, those data have not been sufficient to enable AT&T to obtain better quality service – the kind of services its customers demand. Although AT&T's agreements with individual ILECs preclude it from providing data on an individual basis, I can affirmatively report that the ILECs' data have consistently shown performance that does not meet AT&T's DMOQs. Moreover, even in those cases where AT&T has seen some improvements, those improvements often have not been sustained over time. And since AT&T's ability to obtain the self-reported data is conditioned on confidentiality agreements that limit its ability to use those data solely to its business-to-business dealings with the ILEC, they provide little leverage to motivate the ILECs to improve.

10. It is also important to recognize that the ILECs' motivation to meet AT&T's business needs will be further reduced as ILECs begin to enter the interexchange market and compete against IXC's on a head-to-head basis in the provision of long distance services. Thus, I

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<sup>3/</sup> Letter from Joint Competitive Industry Group, to Michael K. Powell, Chairman, FCC, CC Docket No. 01-321 (filed Jan. 22, 2002) ("JCIG Proposal").

cannot expect the situation to improve in the future; indeed, the ILECs' clear incentives would lead them in exactly the opposite direction.

11. Although I am not permitted to provide special access performance data on any specific ILEC, the aggregate data for all large ILECs<sup>4/</sup> between 1997 and 2001 show that AT&T has not been able to use its position as a large customer to obtain or consistently maintain adequate ILEC performance. These data, attached to my declaration as Attachment A, show nationally aggregated ILEC performance for three specific DMOQs: (1) DS1 On-time Performance, (2) DS1 Failure Frequency, and (3) Total Time to Repair greater than 3 hours.<sup>5/</sup> Although these measures are not precisely the same as those defined in the JCIG Proposal supported in this proceeding, they are similar enough to show that ILECs' special access service quality is generally poor and unpredictable.

12. Attachment A shows that, on a national basis, ILECs failed to provision AT&T's DS1s orders in a timely manner significantly more than 10% of the time. More disturbing, the data reflects a *downward* trend in on-time performance. Further, over the five-year period reflected in the analysis, DS1 failure frequency was as high as approximately 23%, and *always* well above 10%. Similarly, the ILECs' failure rate also seems to be growing at a modest rate.

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<sup>4/</sup> These companies include Ameritech, BellSouth, Pacific Bell, Qwest (formerly U S West), SWBT and Verizon (formerly Bell Atlantic and GTE.)

<sup>5/</sup> (1) DS1 On-Time Performance is measured by dividing the number of orders that were not provisioned on the Customer Desired Due Date ("CDDD") for exchange access reasons, by the number of orders completed in the reporting calendar month. (2) DS1 Failure Frequency is measured by dividing the monthly network failures by the total number of circuits purchased by AT&T on the last day of the reporting calendar month. (3) Total Time to Repair > 3 hours is measured by dividing the number of troubles restored in more than 3 hours in the report period by total number of troubles in the period.

Finally, the aggregate data shows that restoration intervals exceed three hours approximately 30% of the time.<sup>6/</sup>

13. While these results are disquieting, they are even more troubling when viewed in light of AT&T's aggressive efforts over the last several years to obtain better service. As noted by some of the ILEC commenters, AT&T representatives meet with their account managers on a frequent basis to review the ILECs' self-reported data, identify the root causes for poor performance, and design remedies. In fact, AT&T prefers this kind of business-to-business process as a means to resolve performance issues, and has committed significant resources to such efforts. Yet despite the thousands of hours expended on these efforts, improvement, if any, is generally short-lived, and overall service quality continues to be mediocre. Clearly, it appears that the ILECs have determined that the "hassle" factor related to dealing with unhappy customers is far outweighed by the benefit they obtain from supplying those customers -- who are also competitors -- with poor service.

14. More recently, some ILECs have introduced tariffs and contracts that include specific performance targets coupled with penalties for failure to reach those targets. AT&T was pleased see ILECs implement plans that directly link poor performance with monetary consequences, and has been quick to avail itself of those alternatives where available.<sup>7/</sup> While these plans have resulted in consequences for the vendors' failure to meet agreed-upon targets,

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<sup>6/</sup> Customer satisfaction is clearly linked to the ability of a carrier to avoid outages and, in the event an outage occurs, to restore service quickly. Therefore, the finding that more than 30% of outages last more than 3 hours is particularly troublesome since it tracks restoration time frames well in excess of AT&T's DMOQ of less than two hours (which is similar to the level proposed by the JCIG). Even when measured against this much lower standard of performance, ILEC services still fail almost one-third of the time.

<sup>7/</sup> SBC (at n.24) correctly points out that AT&T requested that the Texas PUC not take any action that would pre-empt the terms of its Managed Value Plan ("MVP") contract with SWBT.

they have not yet succeeded in providing service at the level required by AT&T (and agreed to by the ILEC).<sup>8/</sup> This experience suggests that even the most comprehensive mechanisms available to AT&T are currently insufficient to address the problem of poor ILEC special access performance.

15. Additionally, there is a growing gap between what AT&T's customers expect and AT&T's ability to obtain the ILEC special access services needed to meet those expectations. It is certainly true that end user purchasers of special access (and services that incorporate ILEC special access service) are generally knowledgeable about the complexities involved in providing that service. Nevertheless, their business needs still require (and customers demand) predictable and reliable installation, maintenance, and repair intervals. Current mechanisms available to AT&T have failed to produce consistent and sustainable improvement in the ILECs support for special access. Thus, those mechanisms do little to address customers' most urgent needs. Although customer feedback regarding special access service is addressed more fully in the Declaration of Deborah S. Waldbaum, my personal contact with AT&T end-user customers indicates that there is a remarkably high level of frustration among those seeking our services.

16. As a result of the above, AT&T finds itself in an untenable position. Although AT&T values the ability to negotiate with its ILEC suppliers to obtain critical inputs that are specifically designed to meet AT&T product needs, experience shows that ILECs remain the dominant suppliers of special access services and in most cases there are few (if any) alternatives available. Thus, relying on negotiation alone cannot -- and does not -- assure AT&T will be able

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This position is fully consistent, however, with AT&T's request that the Commission adopt *minimum* national standards that may be supplemented by specific carrier-to-carrier agreements.

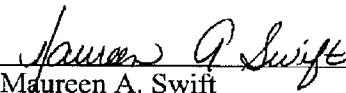
<sup>8/</sup> This is not to say that, under the right conditions, such mechanisms could not provide a satisfactory result. For example, in 2001, AT&T's non-ILEC providers of special access

to meet its customers' needs. Therefore, the most immediate and effective means to provide ILECs with the incentives they need to provide acceptable service quality for interstate special access services is for the Commission to adopt a federal performance measurement plan based on the JCIG Proposal, accompanied by efficient, prompt, and effective remedies.

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generally maintained a failure frequency rate of less than 5% (vs. 19.09% for ILECs), in compliance with contractual obligations that are linked to monetary penalties.

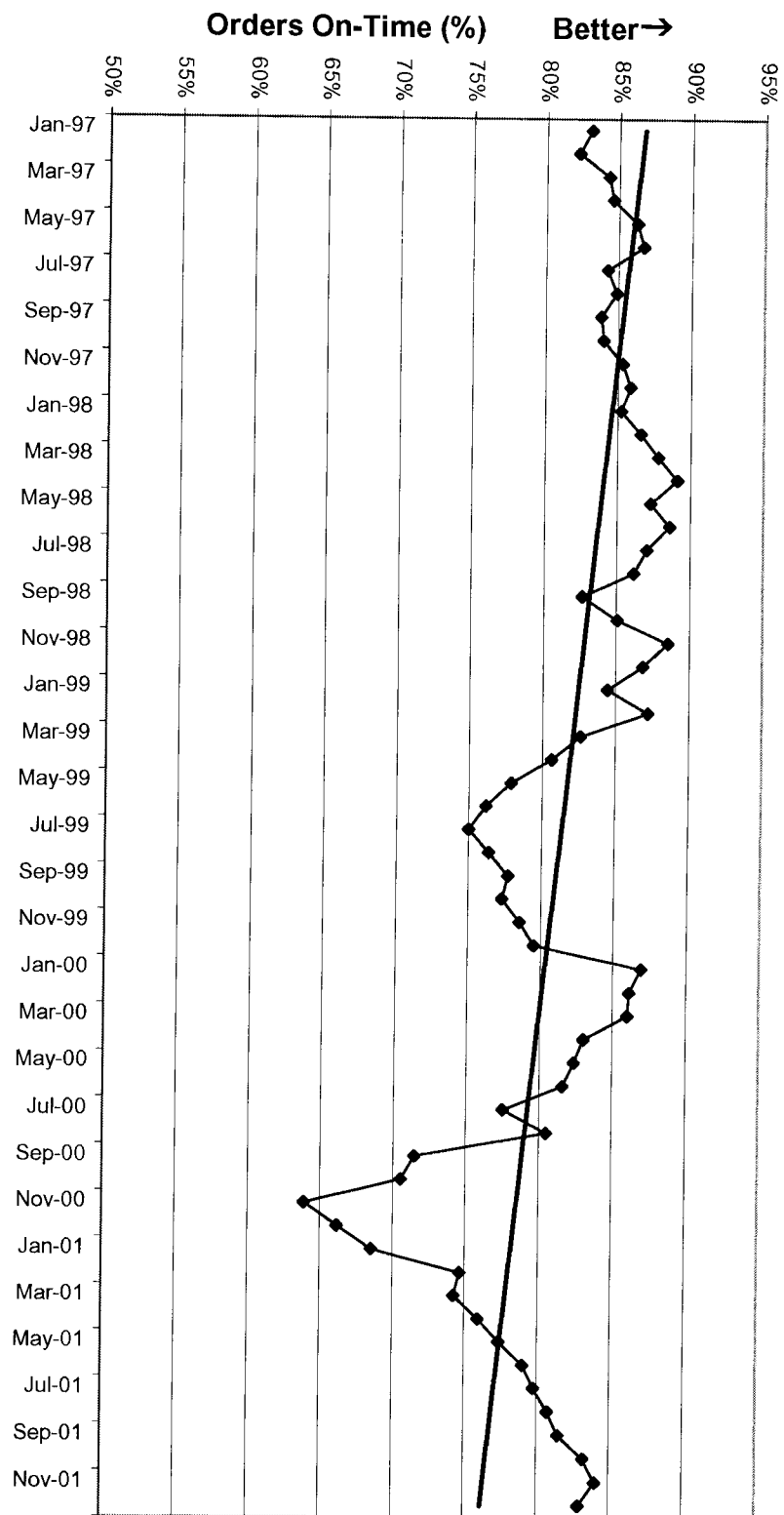
I declare under penalty of perjury that the foregoing is true and correct.

  
Maureen A. Swift

Dated: This 12<sup>th</sup> day of February, 2002.

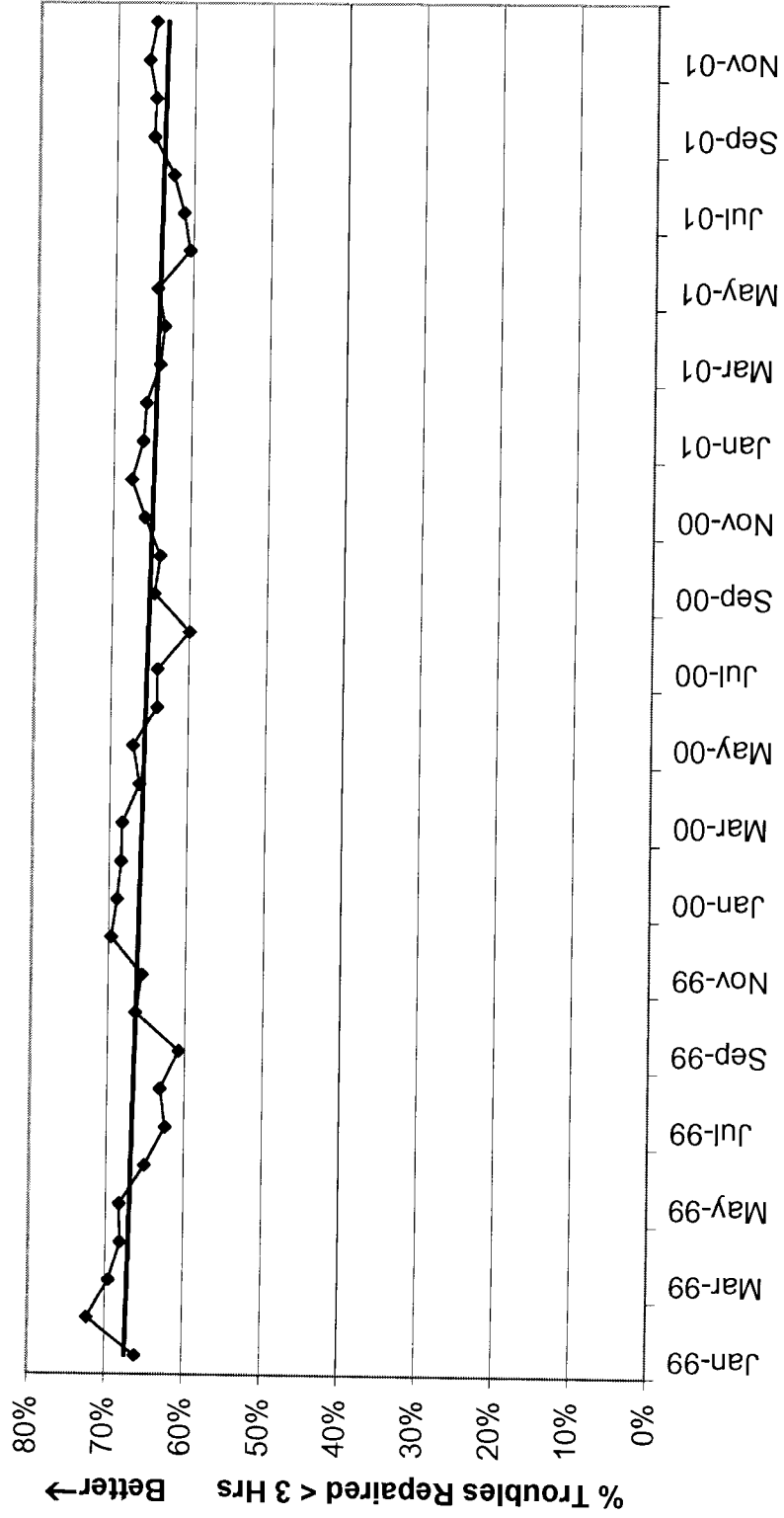
# ATTACHMENT A

# **DS1 On-Time Performance** Jan 1997 - Dec 2001



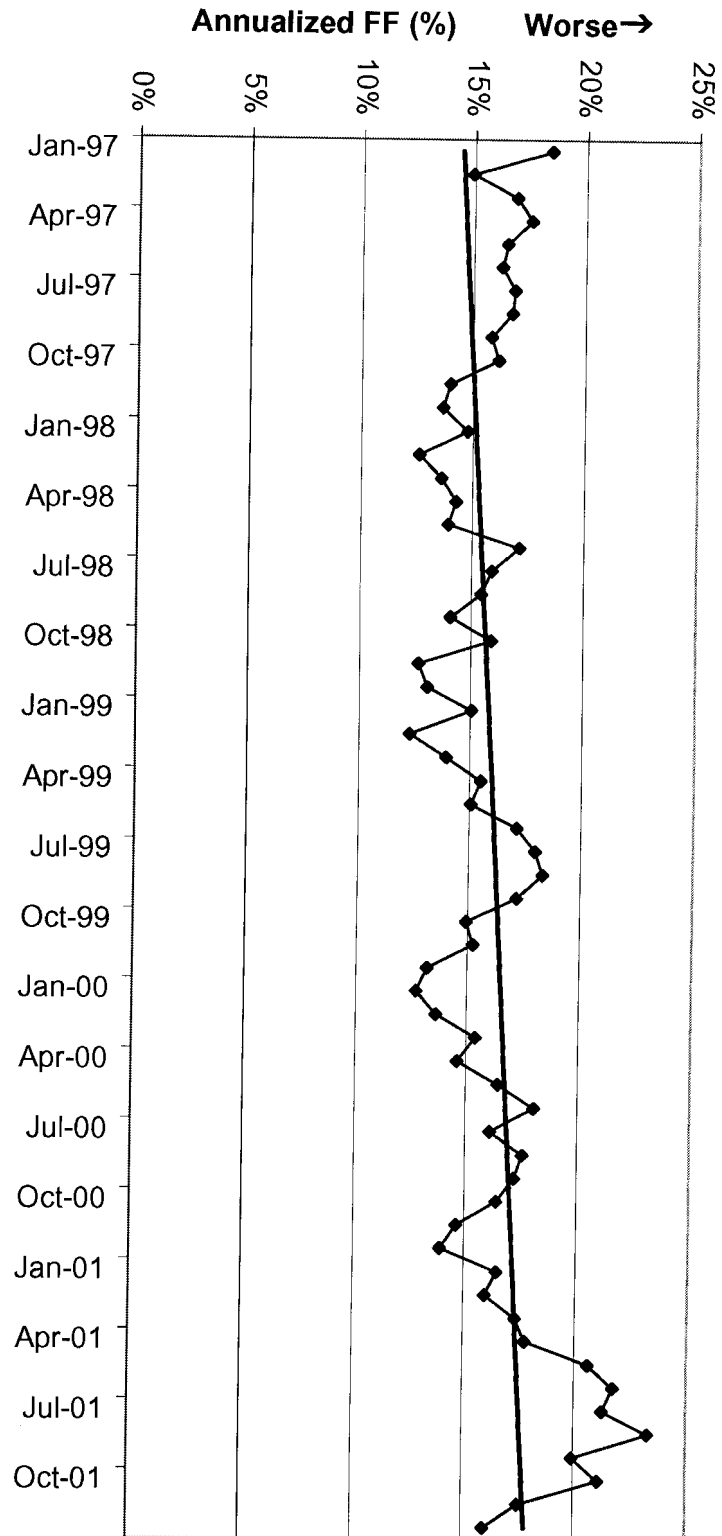
# TTR < 3 Hours

Jan 99 - Dec 01



# DS1 Failure Frequency

Jan 97 - Dec 01



# **ATTACHMENT 7**

Investigation by the Department of Telecommunications and Energy on  
its own motion pursuant to G.L. c. 159, §§ 12 and 16, into Verizon  
New England Inc., d/b/a Verizon Massachusetts' provision of  
Special Access Services.

February 6, 2002

1 **I. INTRODUCTION, QUALIFICATIONS AND PURPOSE OF TESTIMONY**

2

3 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

4 A. My name is Eileen Halloran. My business address is 32 Avenue of the Americas,  
5 New York, New York 10013.

6 **Q. WHAT IS YOUR POSITION?**

7 A. My present position is AT&T Division Manager for Local Services and Access  
8 Management in the Eastern Region.

9

10 **Q. WOULD YOU PLEASE SUMMARIZE YOUR QUALIFICATIONS?**

11 A. I have worked over 30 years in telecommunications for Bell Operating companies  
12 and AT&T. My assignments and responsibilities have included network planning  
13 and implementation, circuit design, interoffice facility planning and engineering  
14 and operations. Over the last 7 years my responsibilities have been focused on  
15 the business interface between AT&T and Verizon, including Interconnection  
16 Agreement negotiations, collaborative work on metrics and standards, and  
17 Verizon's supplier performance to AT&T.

18

19 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

20 A. The purpose of my testimony is to describe the poor performance AT&T receives  
21 from Verizon, as demonstrated by the data submitted by Verizon, in the  
22 provisioning and maintenance of special access circuits. I explain the detrimental

1 impact of this deficient service on AT&T, on its customers and on competition in  
2 Massachusetts.

3  
4 **Q. HOW IS YOUR TESTIMONY ORGANIZED?**

5 A. Section II provides a description of special access and AT&T's use of special  
6 access circuits to serve its business customers. Section III describes the three  
7 determinants of Verizon's performance in provisioning and maintenance of  
8 special access services: (1) the market; (2) business to business relationships; and  
9 (3) regulation. In Section IV, I use the data provided by Verizon in this  
10 proceeding to show that (a) Verizon's special access provisioning and  
11 maintenance is generally poor; and (b) that its special access provisioning and  
12 maintenance is poorer for AT&T and other CLECs than the comparable service  
13 provided to Verizon retail end users. In other words, Verizon discriminates  
14 against CLECs in the provisioning and maintenance of special access. An  
15 explanation of how Verizon's deficient service harms carriers, customers and  
16 competition in Massachusetts is provided in Section V. Finally, in Section VI, I  
17 offer recommendations to the Department to remedy the poor performance of  
18 Verizon.

19  
20 **II. IMPORTANCE OF SPECIAL ACCESS TO AT&T AND OTHER CLECS.**

21  
22  
23 **Q. HOW DOES AT&T USE SPECIAL ACCESS CIRCUITS?**

24 A. AT&T is heavily dependent upon special access circuits (generally DS1 and DS3  
25 facilities) not only for long distance access, but also for the provision of many

1 local services, including much of the local service AT&T provides to large and  
2 mid-sized businesses. AT&T must secure service from Verizon under special  
3 access tariffs in part because of the Department's decision to permit Verizon to  
4 limit the manner in which CLECs may use UNEs.<sup>1</sup> Those same restrictions  
5 preclude CLECs from converting special access to UNEs.<sup>2</sup>

6  
7 **Q. OVER WHAT FACILITIES DOES VERIZON PROVISION SPECIAL**  
8 **ACCESS TO CLECS?**

9  
10 A. Special access services use the very same loop and transport facilities that are  
11 provided by Verizon as unbundled network elements ("UNEs"). Regardless of  
12 the differing nomenclature or tariff language – "transport" and "loops" in the case  
13 of UNEs versus "channel mileage" and "channel terminations" in the case of  
14 special access – the underlying infrastructure used to provide these functionalities  
15 is the same, *i.e.* local loops or outside plant ("OSP"), Central Office ("CO")  
16 equipment and interoffice facilities ("IOF").

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<sup>1</sup> *Investigation by the Department on its own motion as to the propriety of the rates and charges set forth in the following tariffs: M.D.T.E. Nos. 14 and 17, filed with the Department on August 27, 1999, to become effective on September 27, 1999, by Verizon New England, Inc. d/b/a Verizon-Massachusetts, D.T.E. 98-57 – Phase I (September 7, 2000) at 33-37. In its decision, the Department permitted Verizon to restrict UNE usage to three different usage configurations adopted by the FCC in its June 2000, Supplemental Order Clarification of its November 1999 UNE Remand Order and Supplemental Order. The three usage configurations are now codified in Massachusetts D.T.E. Tariff 17, Section B. 13.1.1.D.*

<sup>2</sup> *See Rebuttal Testimony of Deborah S. Waldbaum, D.T.E. 01-31 (August 24, 2001), a copy of which is attached as Exhibit C.*

1   **Q.   WHY DOESN'T AT&T SIMPLY SELF-PROVISION SPECIAL ACCESS**  
2   **CIRCUITS OR OBTAIN THEM FROM THIRD PARTIES?**

3   A.           AT&T and other carriers are reliant on the use of special access facilities  
4           for both interoffice transport and connectivity to end-user customers. Much as  
5           AT&T would prefer to provide these facilities itself, or obtain them from non-  
6           incumbent sources, in the overwhelming majority of situations Verizon is the *only*  
7           source for these facilities.

8           In most cases, it is not feasible or economical for AT&T to build facilities  
9           directly to the end user's premises. Construction of new facilities as compared to  
10          incremental augments to existing facilities, is very time consuming and often  
11          requires cooperation from localities, other carriers, and building owners. Even  
12          more problematic, it can take months or even years to complete. Most end users  
13          are unwilling to deal with these delays. When AT&T's business customers want  
14          service, they generally want it *now*.<sup>3</sup>

15          Special access services from other sources (competitive access providers  
16          or other CLECs) are only available in limited circumstances. Thus, in the vast  
17          majority of cases, AT&T must use Verizon.

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<sup>3</sup>       AT&T's reliance on Verizon for connectivity to the customer derives from the difficulties and delays of constructing a second facility to an end user premises when Verizon already has one available. Those difficulties and delays are detailed in testimony that Mr. Anthony Fea of AT&T filed in D.T.E. 01-31 on pages 11-16. A copy of Mr. Fea's testimony is attached as Exhibit D.

1 **III. DETERMINANTS OF VERIZON'S PERFORMANCE IN PROVISIONING**  
2 **AND MAINTENANCE OF SPECIAL ACCESS CIRCUITS.**

3  
4 **Q. WHAT ARE THE DRIVING FORCES BEHIND VERIZON'S**  
5 **PERFORMANCE IN PROVISIONING AND MAINTENANCE SPECIAL**  
6 **ACCESS CIRCUITS?**

7 A. In my view, the three drivers of service quality are: (1) market alternatives (or  
8 lack thereof); (2) business to business relationships; and (3) interest and  
9 aggressiveness of regulators.

10  
11 **Q. HOW DOES THE MARKET AFFECT VERIZON'S PERFORMANCE IN**  
12 **PROVISIONING AND MAINTENANCE OF SPECIAL ACCESS?**

13  
14 A. If the market for special access services were competitive, such a competitive  
15 market would curtail poor performance and discriminatory behavior on the part of  
16 Verizon as the supplier of special access circuits. Thus, if AT&T had real  
17 alternatives such that Verizon would be concerned about losing AT&T's business,  
18 then Verizon would have the necessary incentive to improve and maintain its  
19 service quality.

20 However, because of Verizon's dominant position in the provision of  
21 special access facilities, no market forces exist to correct performance  
22 deficiencies. Compelling proof of Verizon's continuing market power is a recent  
23 ruling by the New York Public Service Commission ("NY PSC"). Even in what  
24 is generally regarded as *the most competitive market in the United States*  
25 (southern Manhattan), the NY PSC characterized Verizon as the "dominant"  
26 provider of special access services, based on close analysis of a detailed record

1 regarding route miles of fiber, numbers of buildings passed, and especially  
2 numbers of buildings actually connected to non-ILECs.<sup>4</sup>

3 Specifically, the NY PSC found that “Verizon’s combined market share  
4 data demonstrate its *continued dominance in all geographic areas*.... In the 132  
5 LATA, for example, Verizon has 8,311 miles of fiber compared to a few hundred  
6 for most competing carriers; Verizon has 7,364 buildings on a fiber network  
7 compared to less than 1000 for most competing carriers.”<sup>5</sup> In New York City,  
8 Verizon’s own data show that “a maximum of 900 buildings [are] served by  
9 individual competitors’ fiber facilities,” but New York City has “775,000  
10 buildings in the entire city, over 220,000 of which are mixed use, commercial,  
11 industrial, or public institutions.”<sup>6</sup>

12 The NY PSC further concluded that claims regarding “buildings passed”  
13 by competitors’ facilities were virtually meaningless as evidence of a competitive  
14 market because “these data do not reflect how often fiber actually enters these  
15 buildings.”<sup>7</sup> Overall, the NY PSC found that Verizon “continues to occupy the  
16 dominant position in the Special Services [Special Access] market, and its  
17 dominance is a controlling factor in that market. Because competitors rely on  
18 Verizon’s facilities, particularly its local loops (OSP) and IOF, Verizon represents

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<sup>4</sup> See NY PSC Case 00-C-2051, *Proceeding on Motion of the Commission to Investigate Methods to Improve and Maintain High Quality Special Services Performance by Verizon New York Inc.*, Opinion and Order Modifying Special Services Guidelines for Verizon New York Inc., Conforming Tariff, and Requiring Additional Performance Reporting, at 6 (June 15, 2001) (“*NY PSC Special Services Order*”).

<sup>5</sup> *Id.* at 7.

<sup>6</sup> *Id.* at 7-8.

<sup>7</sup> *Id.* at 9.

1 a bottleneck to the development of a healthy, competitive market for Special  
2 Services.”<sup>8</sup>

3 Further proof of Verizon’s special access market power lies in its poor  
4 special access performance. As described below, the dramatic decline  
5 experienced over the last several months is wholly inconsistent with the  
6 performance one would reasonably expect in a competitive market.

7  
8 **Q. HOW DO THE BUSINESS RELATIONSHIPS BETWEEN VERIZON AND**  
9 **CLECS DRIVE VERIZON’S PERFORMANCE IN PROVISIONING AND**  
10 **MAINTENANCE OF SPECIAL ACCESS?**

11 A. AT&T prefers to achieve its service requirements from suppliers such as Verizon  
12 through business relationships with those suppliers and would rather not have to  
13 rely on the regulatory process. AT&T devotes considerable resources to enable  
14 Verizon to provide the best possible service to AT&T. In support of achieving  
15 that level of supplier performance from Verizon, AT&T engages with Verizon in  
16 end-to-end process defect analysis to determine what improvements can be made.  
17 AT&T has dedicated resources who interface with Verizon to gather, analyze and  
18 process data, determine and implement improvement initiatives, and track results  
19 to assure the intended service improvement. AT&T is not always able to achieve  
20 the performance it requires through the business process, as demonstrated by its  
21 petition to open this proceeding.

22  

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8 *Id.*

1   **Q.   DOES REGULATION INFLUENCE VERIZON'S PROVISIONING AND**  
2   **MAINTENANCE OF SPECIAL ACCESS CIRCUITS?**

3   A.   I believe it is clear that Verizon does respond to regulatory oversight.  Indeed, this  
4       case provides a good example of that.  After the Department opened this docket,  
5       the data supplied by Verizon indicated a slight but discernable improvement in  
6       Verizon's provisioning and maintenance of special access circuits in  
7       Massachusetts.  Despite the improvement, however, Verizon's performance is still  
8       inadequate and discriminatory, so that further sustained and more aggressive  
9       regulatory action is required.

10

11   **IV.   VERIZON'S DATA DEMONSTRATE DISCRIMINATORY**  
12   **PROVISIONING AND MAINTENANCE OF SPECIAL ACCESS**  
13   **CIRCUITS.**

14

15   **Q.   WHAT DO THE VERIZON DATA SHOW?**

16   A.   The data finally extracted from Verizon during the course of this proceeding  
17       demonstrate that Verizon's performance for special access circuits is generally  
18       substandard and, importantly, the performance Verizon provides to its retail  
19       customers greatly exceeds Verizon's performance for circuits to wholesale  
20       customers.  The disparity between Verizon's provisioning and maintenance to its  
21       retail customers and to its wholesale customers is repeated and systematic.

22

1 **Q. CAN YOU POINT TO SPECIFIC DATA THAT DEMONSTRATE**  
2 **VERIZON'S DISCRIMINATORY CONDUCT?**

3 A. Yes. Verizon's data confirms that its special access performance is unacceptable.  
4 Looking at the following measures – percent on time, average interval offered,  
5 average interval completed, and installation quality – it is clear that Verizon's  
6 performance is substandard and worse than what it provides for its retail end  
7 users. For ease of presentation, I will discuss data for DS1 circuits. Importantly,  
8 the data for other circuits are generally consistent with the DS1 results,  
9 demonstrating poor performance across all of special access provisioning.  
10 Indeed, in July 2001, it was 99% for Verizon's retail customers and 75% for  
11 wholesale customers.

12

13 **Q. WHAT DOES THE VERIZON DATA SHOW IN REGARD TO PERCENT**  
14 **ON TIME?**

15 A. The calculation of percent on time demonstrates Verizon's systematic  
16 discrimination in provisioning to non-affiliate wholesale carriers as opposed to  
17 Verizon's own retail customers. In order to arrive at percent on time, I did the  
18 following calculation: 1 minus the monthly data provided in response to  
19 WCOM/ATT 1-5a (circuits not on time for Verizon reasons) divided by the  
20 monthly data provided in response to WCOM/ATT 1-3 (total completed circuits).  
21 The result is multiplied by 100 to convert to a percentage.<sup>9</sup> As displayed in the  
22 summary chart of Verizon's performance for DS1s attached as Exhibit A to this

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<sup>9</sup> This calculation of "percent on time" gives Verizon "on time" credit for due dates missed for non-Verizon reasons.

1 testimony, Verizon met the due date commitment to its retail end-user on average  
2 99 percent of the time; while Verizon met the due date commitment to non-  
3 affiliated carriers on average only 83 percent of the time. Moreover, this  
4 significant difference in average on-time performance reflects a systematic and  
5 unvarying pattern. In *every* month analyzed, Verizon's on-time performance to  
6 its retail customers exceeded its on-time performance to its wholesale customers.

7 The experiences of AT&T customers per the feedback from AT&T  
8 salespeople confirm these percentages. The difference in service is unacceptable.  
9 Carriers cannot tolerate such poor provisioning and maintenance and still remain  
10 viable competitors of Verizon. Moreover, with such poor on-time performance,  
11 not only do competing carriers suffer, but the actual and potential level of  
12 competition in the Massachusetts special services market declines.

13  
14 **Q. WHAT DO THE DATA ON AVERAGE INTERVAL OFFERED AND**  
15 **AVERAGE INTERVAL COMPLETED INDICATE?**

16 A. The data show that offered and completed intervals for all customers, both  
17 Verizon retail and wholesale non-affiliated carriers, are long. Monthly average  
18 intervals offered for retail customers range from 13 to 17 days. Monthly average  
19 intervals completed for retail customers range from 16 to 22 days. Such  
20 performance to all of the Commonwealth's customers cannot be tolerated.  
21 Companies which rely upon fast, reliable augments to their communications  
22 capacity (bandwidth) to conduct their business have told AT&T that they now  
23 consider where special access service is provided more reliably and more quickly.

1 Thus, these companies are forced to consider expanding or moving their business  
2 to other states.

3 In addition, the great disparity in the intervals offered and completed for  
4 Verizon end user customers as opposed to non-affiliated wholesale customers  
5 demonstrates yet again discriminatory conduct on the part of Verizon. Comparing  
6 the retail and wholesale intervals for the two months for which Verizon provided  
7 data,<sup>10</sup> Verizon offered to provide DS1 service to its end user customer in an  
8 average interval of 16.53 days in October 2001, while Verizon's non-affiliate  
9 carrier customers were offered an average interval of 27 days. The same  
10 comparison for retail to wholesale in November 2001 was 17.85 days to 22 days.

11 The average interval to actually complete the DS1 service for Verizon  
12 retail in October 2001 was 16.86 days, while non-affiliate wholesale customers  
13 waited an average of 32 days. This is consistent with the statistics that show that  
14 Verizon almost always meets its due date to its retail customers, while Verizon  
15 more frequently misses the due date to its wholesale customers. The statistics for  
16 November 2001 show that the average interval completed for Verizon retail was  
17 21.75 days, while the average interval completed for non-affiliated wholesale  
18 customers was 29 days. Such discriminatory performance harms carriers,  
19 customers and competition in Massachusetts.

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<sup>10</sup> In response to WCOM/ATT-VERIZON 1-18, Verizon states that the only available wholesale data for interval offered and interval completed are October and November 2001.

1   **Q.   WHAT OTHER MEASUREMENTS DEMONSTRATE VERIZON'S POOR**  
2   **PROVISIONING AND MAINTENANCE PERFORMANCE?**

3   A.   The trouble report rate for new installations measures the quality of Verizon's  
4       installation work by capturing the rate of trouble reports on new circuits within 30  
5       calendar days of the installation. In order to arrive at this measure of installation  
6       quality, I used as the denominator the total number of circuits installed in a  
7       month, as reported in WCOM/ATT-VZ 2-3(a), and I used as the numerator the  
8       number of such circuits that had trouble reports within 30 days of installation, as  
9       reported in WCOM/ATT-VZ 2-3(b). I multiplied the result by 100 to convert to a  
10      percentage. The data demonstrate that, in every month analyzed, circuits installed  
11      for wholesale customers fail at a rate that is significantly higher than the failure  
12      rate of circuits installed for retail customers. Indeed, the monthly wholesale  
13      failure rate exceeds the monthly retail failure rate by factors that range up to and  
14      over 10 times.

15           A mean time to restore ("MTTR") interval measures the promptness in  
16      restoring circuits to normal operating levels when a problem or trouble is referred  
17      to Verizon. Verizon, however, has not provided the retail data for MTTR and  
18      therefore I cannot make a comparison between Verizon's retail and wholesale  
19      MTTR performance.

20  
21   **Q.   WHAT IS THE OVERALL PICTURE DISPLAYED BY THE**  
22   **COMPARATIVE DATA?**

23  
24   A.   To summarize, the data demonstrate that Verizon's retail end user is promised  
25       (offered) and gets (completed) special access service sooner, and the due date is

1 almost certain to be met for a retail end user. In contrast, the non-affiliate carrier  
2 is likely to wait longer for the due date and not receive service until after the due  
3 date. Moreover, the data shows that a DS1 circuit installed for the retail end user  
4 customer is provisioned better than the DS1 installed for the wholesale customer.

5  
6 **Q. DO THE COMPARATIVE DATA PROVIDED BY VERIZON IN THIS**  
7 **PROCEEDING SURPRISE YOU?**

8 A. No, as I explain below, the data here are consistent with the reports we receive  
9 from our sales people and from our customers. Moreover, I can say without  
10 hesitation that it has been AT&T's experience that the special access DS1 on-time  
11 provisioning performance for AT&T in Verizon North is worse than the  
12 performance for AT&T in any other part of Verizon and worse than the  
13 performance for AT&T by any other ILEC. This is particularly troubling given  
14 the fact that Verizon North charges AT&T the highest price in the country for  
15 DS1 special access circuits.

16  
17 **V. INADEQUATE SPECIAL ACCESS PERFORMANCE HARMS**  
18 **CARRIERS, CUSTOMERS, AND COMPETITION IN**  
19 **MASSACHUSETTS.**

20  
21 **Q. WHAT IS THE EFFECT OF VERIZON'S POOR PROVISIONING AND**  
22 **MAINTENANCE PERFORMANCE ON CARRIERS AND CUSTOMERS?**

23 A. Because Verizon's special access services are so often the only means by which  
24 AT&T can connect its own equipment and facilities to Verizon end offices and  
25 through Verizon end offices to customers, deficiencies in Verizon special access  
26 provisioning and maintenance compromise customers' perception of AT&T's and  
27 other CLECs' ability to offer quality services. The impact of Verizon's poor

1 performance on its competitors and, importantly, their business *customers*  
2 includes: lost revenue, diminished reputation, decreased productivity and  
3 unnecessary expense. Under these circumstances, AT&T and other CLECs  
4 cannot attract and retain customers effectively.

5  
6 **Q. WHAT EFFECT DOES VERIZON'S POOR PROVISIONING AND**  
7 **MAINTENANCE PERFORMANCE HAVE ON THE ECONOMIC**  
8 **HEALTH OF MASSACHUSETTS?**

9 A. The New York PSC recognized that "[s]pecial services are vital to the economic  
10 viability of the state [of New York]."<sup>11</sup> Similarly, special access services, which  
11 are necessary for competitors to provide special services, are key components to  
12 the economic development of Massachusetts. Special access circuits connect a  
13 wide variety of Massachusetts businesses to their customers, data centers, and  
14 warehouses, and therefore contribute to commerce and competition in  
15 Massachusetts.

16 Jurisdictions where Verizon provisions special service circuits to its own  
17 end user customers and special access circuits to its wholesale carrier customers at  
18 an adequate level are more attractive to companies and firms which require quick,  
19 reliable augments in order to conduct business. For example, a national business  
20 which needs to site or sustain a data center will consider where it can obtain  
21 circuits faster and where correction of any problems with those circuits will occur  
22 almost instantaneously. Other states recognize the potential economic impact of  
23 Verizon's poor provisioning and maintenance performance. New York has issued

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<sup>11</sup> *NY PSC Special Services Order*, at 12.

1 Special Access Service Guidelines and Maine is considering adoption of the New  
2 York standards and measures.

3 In addition, Verizon's discriminatory provisioning and maintenance  
4 contradicts the Department's commitment to the promotion of competition in  
5 Massachusetts. Carriers receiving on time performance in the range of 70-80%  
6 cannot effectively compete with the suite of services Verizon can now offer with  
7 Section 271 approval.

8  
9 **VI. THE ROLE OF THE DEPARTMENT IN CURING VERIZON'S POOR**  
10 **PROVISIONING AND MAINTENANCE OF SPECIAL ACCESS.**

11  
12 **Q. WHAT IS THE MOST EFFICIENT WAY FOR THE DEPARTMENT TO**  
13 **CURE VERIZON'S POOR PROVISIONING AND MAINTENANCE OF**  
14 **SPECIAL ACCESS?**

15 **A.** The most efficient way for the Department to cure the current and persistent  
16 performance problems is to expand the rules for use of UNEs to provide bundled  
17 services to carriers' local customers, in full competition with Verizon. In so  
18 doing, the Department would in large part obviate the need for special access  
19 performance monitoring and enforcement. Expanded use of UNEs in  
20 Massachusetts places competitors on an equal footing with Verizon and allows  
21 the Department to ensure adequate provisioning and maintenance performance by  
22 Verizon in the Massachusetts local exchange marketplace.

23 In order to facilitate such CLEC use of UNEs, the Department should alter  
24 the language in Tariff 17: (1) by eliminating Section B.13.1.1.D, which codifies

1 the onerous usage restrictions, and (2) by modifying Section B.13.1.1.A as  
2 follows:

3 EEL arrangements are provided to the extent technically feasible  
4 ~~and where facilities exist~~. EEL arrangements enable a CLEC to use  
5 combinations of unbundled links (provided under Part B, Section  
6 5) and unbundled dedicated interoffice transport network elements,  
7 including unbundled multiplexers (provided under Part B, Sections  
8 2 and 3) to provide ~~a significant amount of local exchange~~ **any**  
9 **telecommunications** service to an end user.

10 I am not a lawyer and will defer to the attorneys to explain on brief why the  
11 Department can do this.

12 However, if the Department maintains that it is appropriate to allow  
13 Verizon to restrict the use of UNEs when used to provide local exchange service  
14 in certain circumstances, the Department should open up a proceeding as soon as  
15 possible to determine the right local use test for use of UNEs.

16  
17 **Q. ARE THERE ANY OTHER WAYS FOR THE DEPARTMENT TO**  
18 **ADDRESS THE PROBLEM OF POOR PROVISIONING AND**  
19 **MAINTENANCE THAT YOU DESCRIBE ABOVE?**

20 A. Yes. The Department should establish metrics and standards to measure  
21 performance so that the inadequate provisioning and maintenance I described  
22 above no longer occurs. An effective set of performance measures and standards  
23 (and enforcement mechanisms, where legally permissible) must take into account  
24 the need to compare the quality of service that Verizon provides in provisioning  
25 and maintaining circuits to itself and its retail customers, versus its provisioning  
26 and maintaining of special access to CLECs. Just as Verizon is required to submit  
27 monthly reports under the carrier to carrier metrics, Verizon should be required to  
28 report its special access performance monthly to the Department. Otherwise,

1 Verizon will continue to be able to provide better service to itself, or to its retail  
2 customers, than to its wholesale customers – and there will be no reported  
3 statistics to reveal the discrepancies. Also, this proceeding has shown the need  
4 for the Department to be fully informed of the level of service provided by  
5 Verizon in Massachusetts. This is necessary so that over time, the Department  
6 can be alert to service deterioration and can act quickly to understand its cause  
7 and ensure corrective action. Needless to say, the nature of the customer (Verizon  
8 customer vs. Verizon competitor) or the label attached to the order (retail vs.  
9 special access) ought not to result in higher or lower standards of service.

10  
11 **Q. WHAT SPECIFIC METRICS ARE YOU RECOMMENDING?**

12 A. The special access metrics and standards adopted by the New York PSC are an  
13 appropriate and comprehensive set of standards which already have been  
14 implemented and proven to remedy Verizon's poor provisioning and maintenance  
15 performance. I have attached a copy of these metrics as Exhibit B. As you can  
16 see, this set of standards measures: (1) percent on time ASR response;<sup>12</sup> (2)  
17 provisioning on time performance – met commitments; (3) average delay days on  
18 missed installation orders; (4) installation quality; (5) percent missed  
19 appointments due to a lack of facilities; (6) percent jeopardizes; (7) customer  
20 trouble report rate; (8) trouble duration intervals; and (9) installation intervals.

---

<sup>12</sup> For this percent on time metric, the DTE should order that Verizon provide a firm commitment (FOC) at day 3 and not allow an estimated due date (ECD) to be confirmed or changed later.

1 Because Verizon has been ordered to begin reporting under these metrics in New  
2 York, implementation of these metrics in Massachusetts will be swift and easy.

3  
4 **Q. SHOULD THESE METRICS MEASURE BOTH INTRASTATE AND**  
5 **INTERSTATE PERFORMANCE?**

6 A. Yes. The metrics must measure both inter and intrastate performance if the  
7 Department is to be fully informed of Verizon's service in Massachusetts. The  
8 data submitted by Verizon in this proceeding shows that more DS1 service is  
9 provided to businesses in Massachusetts from the interstate tariffs than the  
10 intrastate.

11 **Q. ARE YOU AWARE THAT THE DEPARTMENT HAS FOUND THAT IT**  
12 **DOES NOT HAVE JURISDICTION TO REGULATE VERIZON'S**  
13 **PROVISIONING AND MAINTENANCE OF INTERSTATE CIRCUITS?**

14 A. Yes.

15  
16 **Q. ON WHAT BASIS, THEN, DO YOU RECOMMEND THAT THE**  
17 **DEPARTMENT REQUIRE VERIZON TO REPORT ITS INTERSTATE**  
18 **SPECIAL ACCESS PERFORMANCE?**

19 A. I am not a lawyer. However, I understand that the Department has authority to  
20 require Verizon to report its interstate circuit provisioning and maintenance  
21 performance even if the Department does not have jurisdiction to regulate that  
22 performance.

1   **Q.   IS THERE A WAY FOR THE DEPARTMENT TO ENCOURAGE**  
2   **VERIZON TO IMPROVE ITS INTERSTATE ACCESS PROVISIONING**  
3   **AND MAINTENANCE EVEN IF IT DOES NOT HAVE JURISDICTION**  
4   **TO REGULATE SUCH PROVISIONING AND MAINTENANCE**  
5   **DIRECTLY?**

6   A.   Yes. I understand that in D.T.E. 01-31 Verizon has cited the competition that it  
7       faces from AT&T and other CLECs as justification for the Department granting it  
8       unprecedented pricing flexibility for its business retail services. As I discussed  
9       above, if the Department continues to permit Verizon to impose use restrictions  
10      on UNEs, AT&T and other CLECs will continue to be forced to purchase circuits  
11      out of the special access tariffs and Verizon will continue to hold an unwarranted  
12      competitive advantage over CLECs as a result of above-cost pricing of special  
13      access. At a minimum, promoting parity in the provisioning and maintenance of  
14      special access is necessary (though not sufficient)<sup>13</sup> for AT&T to compete in the  
15      local exchange market on equal footing with Verizon. Although I am not a  
16      lawyer, it seems to me that the Department does have the ability to ensure that  
17      Verizon cannot continue to hamper local competition by forcing CLECs to rely on  
18      expensive and poorly provisioned special access circuits, while at the same time  
19      citing such competition as grounds for deregulating its own retail pricing.

20               Furthermore, although the Department has found that it does not have  
21      jurisdiction to regulate Verizon's provisioning and maintenance performance of  
22      interstate special access circuits, I understand from counsel that the Department  
23      does have jurisdiction to deny Verizon's request in D.T.E. 01-31 for pricing

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<sup>13</sup> Parity in provisioning does not solve the disparity in cost that Verizon and AT&T incur when AT&T is forced to purchase its connectivity to the customer out of a special access tariff.

1 flexibility in the absence of a showing by Verizon that there is a plan in place for  
2 parity in provisioning and maintenance of special access and that the plan is  
3 working. Indeed, only if there is such a plan in place, and this plan includes  
4 adequate enforcement mechanisms, can the Department have any reasonable  
5 grounds for finding that it can rely on competition to ensure that Verizon's rates  
6 meet the statutory requirement of just and reasonable. The Department should  
7 condition any grant of pricing flexibility in D.T.E. 01-31 on Verizon's voluntary  
8 compliance with a special access performance assurance plan that includes  
9 adequate enforcement mechanisms for both intrastate and interstate access.

10  
11 **Q. WHY IS AT&T PETITIONING THE DEPARTMENT FOR ASSISTANCE**  
12 **IN REMEDYING VERIZON'S POOR PROVISIONING AND**  
13 **MAINTENANCE WHEN AT&T HAS FILED COMMENTS AT THE FCC**  
14 **STATING THAT THE FCC HAS PRIMARY JURISDICTION OVER**  
15 **INTERSTATE ACCESS?**

16 A. First, AT&T has a strong interest in the correction of the intrastate process.  
17 Investigation and correction of Verizon's intrastate service deficiencies will have  
18 a beneficial effect on Verizon's provisioning and maintenance performance at the  
19 interstate level, as Verizon has said that it cannot and does not distinguish  
20 between a carrier's interstate and intrastate order. It has been my experience that  
21 the state public service commission is the agency with responsibility for ensuring  
22 adequate provisioning and maintenance of intrastate circuits. Thus, while  
23 improvement in the intrastate provisioning and maintenance process will have the  
24 collateral effect of improving the interstate process, it is to the Department that we  
25 must petition for nondiscriminatory intrastate provisioning and maintenance.

1           Second, the Department has a strong interest in encouraging improved and  
2           non-discriminatory provisioning and maintenance performance of both intrastate  
3           and interstate circuits. Correcting the process for intrastate circuits will have an  
4           important beneficial impact on state interests for three reasons: (1) intrastate  
5           circuits in and of themselves are very important to state economic development;  
6           (2) remedying the inadequacies of the process for intrastate circuits will have the  
7           incidental effect of correcting the process for interstate circuits which are even  
8           more important for state economic development; and (3) per the Verizon data  
9           provided, more business service reliant upon DS1 circuits from Verizon is  
10          provided in Massachusetts via interstate tariffs than intrastate tariffs.

11

12       **Q.   THE DEPARTMENT ASKED IN ITS MARCH 14, 2001 ORDER**  
13       **OPENING THIS DOCKET: "WHAT STEPS...SHOULD [VERIZON] BE**  
14       **REQUIRED TO TAKE TO IMPROVE ITS SPECIAL ACCESS**  
15       **SERVICES." DO YOU HAVE ANY RECOMMENDATIONS?**

16       A.   Yes. The Department should investigate the root causes of Verizon's deficient  
17           service and determine if any of Verizon's performance problems are the result of  
18           insufficient Verizon infrastructure, resources and training in Massachusetts. Such  
19           an investigation should follow an order in this phase of the proceeding that  
20           Verizon must report the reasons for missed due dates, late FOCs and long  
21           intervals with sufficient detail. On the basis of that information, the Department  
22           can conduct a second phase of the proceeding to understand whether the problems  
23           identified in this phase stem from a lack of interoffice facilities, insufficient  
24           central office equipment, lack of outside plant or other inadequate facilities or  
25           insufficient personnel and training. Should such an investigation reveal

1 deficiencies in Verizon's equipment, staffing or training, Verizon should be  
2 required to increase its investment in Massachusetts.

3 Although the appropriate remedy should follow that phase of the  
4 proceeding, the Department could now require Verizon to report its expenditures  
5 on infrastructure, personnel and training by major category until Verizon  
6 demonstrates consistent, adequate and nondiscriminatory provisioning and  
7 maintenance performance. This may turn out to be important given recent press  
8 releases that Verizon is cutting back on investments in its infrastructure. Such a  
9 cut would be particularly troublesome in light of Verizon's Service Improvement  
10 Plan described in Verizon's May 24, 2001 Report on IntraLATA Special Access  
11 Services which is based in part on increased infrastructure investment to improve  
12 performance.

13  
14 **Q. WHAT IS NEEDED IN ORDER FOR THE DEPARTMENT AND THE**  
15 **PARTIES TO DRAW VALID CONCLUSIONS FROM THE DATA**  
16 **PROVIDED BY VERIZON?**

17  
18 In order to be confident that the data provided by Verizon is accurate and,  
19 therefore, that the root cause analysis described above will produce reliable  
20 results, the Department should order an audit of Verizon's special access and  
21 retail special services measurements, rules, data collection, analysis and reporting  
22 procedures and processes. Such a review should be performed by an independent  
23 auditor.

24 The uncertainty of relying on Verizon-provided data, without any  
25 independent verification, is demonstrated by the sea change in some of the retail

1 numbers reported under the C2C metrics between March 2001 and April 2001. In  
2 fact, this reporting change has been raised and is being worked in the New York  
3 Carrier Working Group. The same problem can be found in the Verizon  
4 Massachusetts C2C reporting.

5 The Department has ordered an independent audit of Verizon's data and  
6 reporting under the Performance Assurance Plan. *See Performance Assurance*  
7 *Plan, Verizon Massachusetts* (May 18,2001) at 25. Pursuant to the PAP, the  
8 Department will select an independent auditor through a competitive bidding  
9 process and Verizon will pay for the audit. *Id.* The first audit will include an  
10 examination of data reliability issues and subsequent audits will include an  
11 examination of data reliability issues at the Department's discretion. *Id.* Just  
12 such an independent audit of Verizon's reporting of its special access  
13 performance is needed so that the Department can be assured of accurate data and  
14 valid conclusions.

15 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

16 **A.** Yes.

## **ATTACHMENT 8**

Declaration of Deborah S. Waldbaum  
On Behalf of AT&T Corp.

1. My name is Deborah S. Waldbaum. My business address is 7979 E. Tufts Avenue, Suite 900, Denver, Colorado.

2. I presently am employed as a Senior Attorney in AT&T's Law and Government Affairs unit. In this position I represent AT&T's Local Network Services business unit, including the client organization responsible for the provision of local service and the Local Service and Access Management ("LSAM") organization. I also work directly with the AT&T managers who are responsible for identifying and implementing opportunities to improve the quality of service for facilities AT&T leases from other carriers, including incumbent local exchange carriers ("ILECs") and third-parties, to serve its long distance, local and data customers.

3. I have an A.B. with honors in Sociology from the University of California, Berkeley (1977), and earned my J.D. from University of California, Hastings College of the Law (1980). I joined AT&T in July 1999. Prior to that time I served as Western Region Regulatory Counsel for TCG, Inc. In that capacity I represented TCG in regulatory proceedings in Colorado, Nebraska, Arizona, Utah, Oregon, Washington and California. In addition, I provided support for Interconnection Agreement negotiations with Pacific Bell and GTE. I also participated in the interconnection negotiations and arbitrations of interconnection agreements with US West (now Qwest). Prior to joining TCG, I served as an Assistant Attorney General in the Colorado Attorney's General, where I represented the Office of Consumer Counsel in both telecommunications and energy regulatory proceedings.

4. In about October 2000, as a result of a request by the AT&T Business Services ("ABS") unit, I was asked to review a number of complaints from customers and AT&T Account Representatives regarding the ILECs' provision of special access services. The purpose of this assignment was to identify specific problems and determine whether the existing mechanisms for remedying ILEC performance problems were efficient and effective enough to meet customers' expectations.

5. In order to begin my analysis, I was provided with information regarding more than twenty (20) incidents for which customer and/or AT&T personnel involved with specific customer special access orders believed that provisioning and/or maintenance problems relating to such orders were the result of discriminatory treatment by an ILEC. The information provided to me for this analysis included specific ordering information and customer contact information. During the course of my evaluation I was provided with additional incidents to review.

6. In the course of my review, I directly contacted a number of AT&T's business services customers. Although the nature and size of the customers' businesses varied, each customer had ordered services (voice and/or data) from AT&T and also purchased services from the relevant ILEC. During those contacts, I asked the customers to describe their experiences and explain the circumstances that supported their belief that their service problems were the result of discriminatory treatment by an ILEC. Although my questions to customers were very general, many of the customers described similar scenarios, including:

- AT&T's inability to get any response -- sometimes for weeks, and even months -  
- for orders it had placed with the ILEC on behalf of customers;

- ILEC offers to provide the customer with facilities identical to those AT&T had ordered within significantly shorter time frames (*e.g.*, days versus months) if the customer was willing to purchase the local access facility directly from the ILEC;
- Untrue statements by ILEC employees seeking to justify the ILEC's failure to deliver facilities AT&T had ordered in a timely manner due to actions by the customer;
- Inconsistent responses on maintenance and outage issues depending on whether the facility was purchased from AT&T, or directly from the ILEC, with better response times provided when the use of a facility was purchased directly from the ILEC.

7. During my review, I spoke with a variety of customer representatives including business owners, office managers and, in a number of cases, managers responsible for information services for multiple business locations throughout the United States. Although most of these customers were willing to discuss their experiences openly with me, they were uniformly unwilling to "go on the record" with their stories. Specifically, I was told that customers feared to do so because (i) their companies relied on the ILEC for other vital services, (ii) they frequently had no other source from which to obtain those services, and (iii) public statements about possible discrimination could result in retaliation by the ILEC, which could result in business disruption.

8. Over the approximately sixteen months since the initiation of my inquiry, I have continued to talk with both AT&T account representatives and customers. Although I continue to hear experiences that are similar to those described above, none of the customers I have

spoken with have been willing to document those experiences for public use for reasons similar to those stated above.

I declare under penalty of perjury that the foregoing is true and correct.

Deborah S. Waldbaum  
Deborah S. Waldbaum

Dated: This 12th day of February 2002.